

## **Blue Ribbon Commission on Dirigo Health Minutes of September 7, 2006 Meeting**

The Blue Ribbon Commission on Dirigo Health held a regularly scheduled meeting on Wednesday, September 7, 2006, in the Cross Office Building in Augusta, ME. Commission members in attendance were: Sandra Featherman (Chair), David Brenerman, Joan Donahue, Kevin Gildart, Merton Henry, Mike Keenan, Dr. Robert McAfee, Chip Morrison, Katherine Pelletreau, Ed Pineau, Keith Small, Dr. Peter Toussaint, Barbara Trafton, Steven Michaud, Joe Ditre, Carol Epstein, Mary Anne Turowski, and Trish Riley, (Ex-Officio member). Tammy Greateon and Gordon Smith were absent.

The meeting, which began at 10:05am, consisted of presentations and discussion of two papers prepared for the Commission by staff from the University of Southern Maine's Muskie School of Public Service.

To assist in assessing the experience of the DirigoChoice Program, Beth Kilbreth's paper examined the experience of three other state coverage initiatives – New York State's Healthy NY program, Washington State's Basic Health Plan, and New Mexico's State Coverage Initiative – that have similarities to the structure and goals of the Dirigo Health Reform Initiative. The criteria used in selecting the comparison states were that their programs offer eligibility both to small businesses and to individuals, have a means of subsidizing premium and/or other participant costs, and that the state contract with private insurers to offer the state-sponsored product.

Kim Fox's paper examined the financing mechanism for New York State's Healthy NY program, Washington State's Basic Health Plan, MinnesotaCare, the AdultBasic Plan of Pennsylvania, and Hawaii's Prepaid Health Care Act and State Health Insurance Program. It also provided an overview of Massachusetts' and Vermont's recent health care reform legislation.

Below is an overview of principal findings from the two papers, along with questions raised by Commission members:

- Programs' success at reaching their target population can be a function of time: initial enrollment in New York, Washington, and New Mexico all got off to slow starts. Relative to those states, DirigoChoice has gotten off to a fast start.
- Individual enrollment has exceeded small business enrollment in DirigoChoice, New York, Washington, and New Mexico. DirigoChoice had the highest portion of small business enrollment in these states.
- There is considerable variation in these programs' premiums relative both to one another and to prevailing market premiums in each state.

- States have used a variety of sources to fund their programs but have largely relied on a combination of ‘sin taxes’ (cigarettes, alcohol), tobacco settlement revenues, and/or assessments on medical providers and/or insurers either through existing uncompensated care funds or through new assessments passed as part of the expansion initiative. Several states with initiatives that were started as state-only programs subsequently have pursued federal Medicaid waivers to support a portion of program costs.
- Some questioned whether Massachusetts’ reform could be replicable in Maine, as Massachusetts’ approach is based largely on a number of characteristics unique to Massachusetts’ healthcare history, including, but not limited to, already having a large funding mechanism in place (namely, an existing uncompensated care pool funded in part by a longstanding -- i.e., since the mid-1980’s -- assessment on hospitals and insurers and in part by the federal government under a Medicaid waiver (as well as by several other sources) ).

Other issues/questions raised by the Commission during discussion include the following:

- It will be difficult to answer questions about how Dirigo should be financed without first knowing the scope (in terms of both benefits and enrollment) and cost of the program.
- Data on payor mix (Medicare, Medicaid, and private insurance) as well as on underlying medical costs could be useful to the Commission.
- What are obstacles to small businesses in Maine being able to offer health insurance (e.g., the 75% participation requirement, whose purpose is to prevent adverse selection)?

The meeting adjourned at 2:45 pm.